# RAJYA SABHA

*Thursday, the 23rd December,* 2004/2 *Pausa,* 1926 (*Saka*)

The House met at eleven of the clock,

MR. CHAIRMAN in the Chair.

## ORAL ANSWERS TO QUESTIONS

### Constitution of Asian Economic Community

*321. DR. AKHILESH DAS: Will the Minister of EXTERNAL AFFAIRS pleased to state:

(a) whether the Government have initiated steps towards constitution of an Asian Economic Community on the lines of European Union (EU);

(b) if so, the precise constitution and *modus operandi* of the contemplated Economic Community and India's role therein; and

(c) the progress made in this regard, so far?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI E. AHAMMED): (a) and (b) India has put forward the idea of a broader Asian Economic Community comprising India, ASEAN, Japan, China and Republic of Korea.

(c) The concept of an Asian Economic Community has evoked considerable interest and positive response from a number of countries as well as leading think tanks and academic organizations in the region.

DR. AKHILESH DAS: Sir, our Prime Minister, Dr. Manmohan Singhji, on the eve of his visit to Laos, while addressing the ASEAN business summit, spoke of his vision of ASEAN economic community. May I know from the hon. Minister what precisely is the concept of the Prime Minister's vision in regard to the areas of cooperation in various fields of economy, whether it goes beyond the creation of free trade areas? If so, to what extent?

SHRI E. AHAMMED: Mr. Chairman, Sir, the Prime Minister, in the third India ASEAN summit held in Vientiana Lao PDR on 30th November,

2004 proposed that in order to explore the idea further, and enthuse it with political direction, a workshop be held next year, with the participation of policy-makers, senior officials, industry and business representatives, to take the idea forward. I may be permitted to quote a portion of the statement of the hon. Prime Minister, which he had made in the 3rd India ASEAN business Summit, held in New Delhi on 9th October, 2004.

"This community would constitute an arch of advantage across which there would be large scale movement of people, capital, ideas and creativity. Such a community would be roughly the size of the European Union in terms of income, and bigger than NAFTA in terms of trade." Therefore, Sir, we have been taking steps in line with what has been proposed by our hon. Prime Minister.

DR. AKHILESH DAS: Sir, my second supplementary is, the 21st century defined by human capital and knowledge, according to which, India holds the foremost position. How does the Government propose to ensure that India's dominant position in these areas is maintained so as to benefit India's economy, along with that of other members of the contemplated ASEAN economic community?

SHRI E. AHAMMED: Sir, recently, we also have proposed this new concept in the second India ASEAN summit held in Bali in October, 2003. At that time also, the then Prime Minister had said that he was taking the opportunity of the complete presence of the other 13 countries to sow the seeds of a more ambitious idea. Thereafter, our Prime Minister also has made an elaborate statement on this matter, and I quote a portion of his statement. "It is inevitable that we seek to take the existing India ASEAN relationship to a higher level, where we ambition an ASEAN economic community, which encompasses ASEAN, China, Japan, Korea and India. It is with this view in mind that the Government will be taking steps, as I have mentioned earlier.

DR. KARAN SINGH: Mr. Chairman, Sir, the concept of the broader ASEAN economic community is indeed powerful and visionary one, because it will cover half the population of the world. Would the Minister kindly let us know what short of follow up action is planned for this? Is it just an idea that is being floated, or, will it be actively followed up in various fora? Secondly, is there any kind of broad timeframe, of five years or ten years, whthin which this sort of an idea could actually materialise?

SHRI E. AHAMMED: Sir, regarding the first question that the hon. Member has put, I would like to say that a workshop will be held, and it has been entrusted to one of the prominent think tanks of our country, *i.e.*, the Research and Information Systems for non-aligned and developing countries. That is one of the think tanks here. They will bring the necessary framework for the workshop, and along with that, we are having negotiations with other countries in the region, how we will be able to have this community as early as possible. But every country has its own FTA, and also the RAC, with various countries. Taking into account their details, they will be responding to us. We hope that we will be able to go ahead without much delay, but a timeframe has not been fixed so far.

SHRI B.J. PANDA: Sir, the objective of an economic cooperation area is a very commendable one because it will provide a lot of growth and trade opportunities to India. It has variously been called 'JACIK', standing for Japan, ASEAN, China, India and Korea. And also, it has been called the ASEAN plus four formula, ASEAN and these four countries, including India. Unfortunately, China is lukewarm to this proposal because it has earlier been pursing a formula known as ASEAN plus three, which includes all these countries except India. Sir, if that is the case, I would like to know from the hon. Minister what steps his Ministry is taking to counter this attitude.

SHRI E. AHAMMED: Sir, we are having negotiations with all countries, including China. It is premature for me to say what each and every country has responded to, but I have the list of countries which have positively responded-Indonesia, Malaysia, Singapore and many other important countries. Sir, as I have mentioned earlier, in this workshop, India's approach is not exclusive. However, it is a starting point. The natural compostion in this regard would be India, ASEAN, Japan, China and the Republic of Korea. We have been going ahead on this line. We are going to take further steps on this line.

SHRI FALI S. NARIMAN: Sir, the hon. Minister's conjoint answer to questions (a) and (b) prompts me to ask him this question. Question (b) was particularly concerning the precise constitution and *modus operandi* of the contemplated economic community; that is why, I am prompted only to ask the hon. Minister-this is a very enviable initiative-whether this is only a unilateral step or whether there is a hope for a consensus amongst the ASEAN countries or Japan, China and the Republic of Korea, because, actually, as everybody knows, the idea for a European Union was originated by Jean Monet who is now known as the Father of the European Union,

and this is a very laudable idea of the hon. Prime Minister, and of the Minister himself. But I would like to know whether this is merely a unilateral step or whether there has been some cooperation, apart from the think tanks of India, between the countries of Japan, China and the Republic of Korea.

SHRI E. AHAMMED: Hon. Chairman, Sir, may I say that from the responses, which we have received from the countries, ASEAN, China, and also other regions, including Japan, Indonesia, Singapore and Thailand, we feel that all of them are in agreement with this idea. However, as I mentioned earlier, when the think tanks and the research information centres of non-aligned and other developing countries start the process of this workshop, as it is scheduled, we will be in a better position to say how we will get the cooperation and how we will be able to have this ASEAN Economic Community.

SHRI ANAND SHARMA: Sir, the initiative is indeed a commendable one. Everybody agrees with the hon. Prime Minister that this initiative, once it fructifies, will ensure greater economic cooperation in the region which will be one of the largest economic unions. I would like to know from the hon. Minister, besides involving the think tanks, as he has stated—the think tank initiative is only the initial sounding—whether the Government of India will consider taking an official initiative in identifying a core group of countries which have positively responded to have a preparatory meet, as was done in the case of IOR (Indian Ocean Rim). I would also like to know from the hon. Minister whether the chambers of commerce and industry in India would be actively involved in the interaction with the chambers of commerce and industry in these countries which have been named and whether, simultaneously, we would try to have another meet so that this process gets accelerated.

SHRI E. AHAMMED: Mr. Chairman, Sir, as regards the contacts at the official level, it is going on. The other part of the question of the hon. Member to have interaction with the chambers of commerce and industry, etc., it is a very good suggestion for consideration.

MR. CHAIRMAN: Next question, Q. No. 322.

†**श्री शाहिद सिद्दिकी:** सर, मेरा एक परटिनेंट क्वैश्चन है।

شری شاہد صدیقی: سر، میرا ایک پرٹینینٹ کوئشچن ہے۔

**श्री सभापति:** नैक्स्ट, श्री संजय निरुपम।

†**श्री शाहिद सिद्दिकी:** सर, समाजवादी पार्टी के लोगों को तो आप चान्स ही नहीं देते .... (**व्यवधान**)... मेरा परटिनेंट क्वैश्चन था।

شری شاہد صدیقی: سر، سماج وادی پارٹی کے لوگوں کو تو آپ چانس ہی نہیں دیتے .....مداخلت..... میرا پرٹینینٹ کوئشچن تھا۔

**श्री सभापति:** ठीक है, वह क्वैश्चन अब गया। समाजवादी पार्टी का क्वैश्चन तो यह आ रहा है गरीबी का।..(**व्यवधान**)...आप बैठ जाइए, आप बैठिए। ...(**व्यवधान**)... please take your seat. समाजवादी पार्टी का तो अब आ रहा है गरीबों के मामले में, जिसमें आप दखल कर रहे हो।

## Funds for poverty eradication

*322. SHRI SANJAY NIRUPAM: Will the PRIME MINISTER be pleased to state:

(a) whether inadequate funds are blocking developmental goals to reduce poverty to half by the year 2015;

(b) whether the funds released by Government are not reaching to the poor; and

(c) if so, the action proposed to step up efforts to remove economic hurdles, to build up proper administration for fulfilment of millennium goals to eradicate poverty?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) to (c) A Statement is laid on the Table of the House.

† Transliteration of Urdu speech.